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D-41
Fiduciary Income Tax Return**2000****GOVERNMENT OF THE DISTRICT OF COLUMBIA**
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE

TRANSACTION NUMBER

DATE RECEIVED

Taxable year beginning _____, _____ and ending _____, _____

**Check Whether Return
is for:**

- ☐ Estate
☐ Simple trust
☐ Complex trust

If trust, check whether:

- ☐ Testamentary
☐ Inter vivos

Name of estate or trust

Name and title of fiduciary

SOCIAL SECURITY NUMBER

Address of fiduciary (number and street)

FEDERAL EMPLOYER IDENTIFICATION NO.

City, State, and ZIP code

INCOME

1 Federal Income (from Line 9, Part I, Page 2)

1

2 Additions (from Line 10, Part II, Page 2)

2

3 Add Lines 1 and 2

3

4 Subtractions (from Line 14, Part II, Page 2)

4

5 Total District income (Line 3 minus Line 4)

5

DEDUCTIONS

6 Interest

6

7 Taxes (Do not include state and local income or D.C. franchise taxes)

7

8 Other deductions

8

9 → Total (Add Lines 6, 7 and 8)

9

10 Line 5 minus Line 9

10

11 Deduction for distribution to beneficiaries

11

12 Exemption

12

13 → Total (Add Lines 11 and 12)

13

TAX

14 Taxable income of fiduciary (Line 10 minus Line 13)

14

15 Tax on amount on Line 14 (Use Tax Rate Schedule at bottom of page 2)

15

16 Tax previously paid (Attach explanation)

16

17 Balance of tax due (Line 15 minus Line 16)

Pay in full with this return

17

18 Overpayment (Line 16 minus Line 15)

Refund

18

IMPORTANT – THE FOLLOWING INFORMATION MUST BE FURNISHED

1. If return is for a trust, enter name and address of grantor:

2. Have you attached a copy of the governing instrument and the statement of the fiduciary (see general instructions)?

YES ☐ NO ☐

3. If the estate or trust had tax-exempt income, have you deducted only that portion of expenses allocable to taxable income?

YES ☐ NO ☐4. Was a Form D-41 filed for the preceding year?
If no, state reason?YES ☐ NO ☐5. Date trust was created or, if an estate, date of decedent's death:
(Month) (Day) (Year)6. If the estate or trust was terminated during the taxable year, enter the date of termination:
(Month) (Day) (Year)

7. Has the Internal Revenue Service, made or proposed any adjustment in the Federal returns as originally filed for the estate or trust? If yes, submit separately a detailed statement explaining the adjustment to the Office of Tax and Revenue, Audit Division, P.O. Box 556, Washington, D.C. 20044-0556.

YES ☐ NO ☐8. If the return is for an estate, has a D.C. estate tax return (D-76) been filed?
If no, will such a return be filed?YES ☐ NO ☐YES ☐ NO ☐**SIGNATURE AND VERIFICATION (See General Instructions, Item F)**

I hereby certify under penalty of law, including criminal penalties for false statements and tax preparer penalties under D.C. Code §22-2514 and §47-161, et. seq., that this return, to the best of my knowledge and belief, is true, correct and complete.

SIGNATURE of fiduciary or officer representing fiduciary

Date

SIGNATURE of preparer other than fiduciary Fed. Employer Identification No. Date

ADDRESS

MAILING INSTRUCTIONS: Make check or money order payable to the D.C. Treasurer for the amount on Line 17 above. Mail this return and payment (include Federal Employer Identification number, tax year 2000 and D-41 on your check or money order) to the OFFICE OF TAX AND REVENUE, P.O. Box 441, Washington, D.C. 20044-0441 on or before April 16, 2001.

(Rev. 10/00)



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PART I. INCOME FROM FEDERAL RETURN

1	Dividends	1	
2	Interest	2	
3	Income from partnerships and other fiduciaries	3	
4	Net rents and royalties	4	
5	Net profit (loss) from trade or business	5	
6	Net gain (loss) from capital assets.	6	
7	Ordinary gains (losses)	7	
8	Other income	8	
9	Total (Add Lines 1 through 8 and enter here and on Line 1, page 1.)	9	

PART II. MODIFICATIONS TO FEDERAL INCOME**ADDITIONS**

10	Additions (Specify). Enter here and on Line 2, page 1	10	
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SUBTRACTIONS

11	Interest on U.S. obligations	11	
12	Income reported and taxed on the D.C. Unincorporated Business franchise tax return (Form D-30)	12	
13	Other subtractions (Specify)	13	
14	Total subtractions (Add Lines 11, 12 and 13. Enter here and on Line 4, page 1.)	14	

TAX RATE SCHEDULE

Use the following table to compute the tax on the taxable income shown on Line 14, page 1 of the return:

If the taxable income is:	The tax is:
\$10,000 or less	5% of the taxable income
Over \$10,000, but not over \$20,000	\$500 plus 7.5% of the amount over \$10,000
Over \$20,000	\$1,250 plus 9.5% of the amount over \$20,000

INSTRUCTIONS FOR FORM D-41

GENERAL INSTRUCTIONS

A. WHO MUST FILE FORM D-41. – Every fiduciary (except a receiver appointed by authority of law in possession of only a part of the property of an individual), or at least one of joint fiduciaries, must file a Form D-41, for every resident estate for which he/she acts if the gross income of such estate for the taxable year is \$1,370 or more and for every resident trust for which he/she acts if the gross income of the trust for the taxable year is \$100 or more.

B. RESIDENT AND NONRESIDENT ESTATES AND TRUST. – The residence or situs of the fiduciary does not control the classification of estates and trusts as being either a resident of D.C. or a nonresident.

1. Resident Estates and Trusts. – If the decedent was, at the time of death, domiciled within the District of Columbia, his/her estate is a resident estate, and any trust created by his/her will is a resident trust.

If the creator of a trust was, at the time the trust was created, domiciled within the District, or if the trust consists of property of a person domiciled within the District, the trust is a resident trust.

If the trust resulted from the dissolution of a corporation organized under the laws of the District the trust is a resident trust.

2. Nonresident Estates and Trusts. – All estates and trusts other than resident estates and trusts are classified as nonresident estates and trusts and as such are not required to file a fiduciary return. However, there may be a requirement for filing an unincorporated business franchise tax return, Form D-30, if the estate or trust is carrying on a trade or business within the District. (See the Form D-30 tax booklet for further guidance.)

C. OTHER RETURNS TO BE FILED BY FIDUCIARIES. –

1. Returns for Decedents. – An executor or administrator must file a Form D-40 for the last taxable year of the decedent if the gross income of the decedent up to the date of death exceeded the guidelines of Section 6012 of the Internal Revenue Code.

2. Returns for Other Persons. – A fiduciary, including the guardian of a minor and the guardian or committee of an insane person, who has charge of the income of an individual (except a receiver appointed by authority of law in possession of only a part of the property of an individual), must file a Form D-40, if the return is required for such individual.

3. Returns for Unincorporated Businesses. – If the estate or trust has gross income for the taxable year in excess of \$12,000 from carrying on in the District an “unincorporated business”, as defined in the instructions for Form D-30, the fiduciary shall file a Form D-30 with respect to such income regardless of whether it is a resident or nonresident trust.

If an owner of a trade or business engaged in or carried on in the District died during the taxable year, his/her executor, administrator, or other representative must file Form D-30 for the portion of the taxable year preceding the date of death if the gross income for that period was more than \$12,000.

4. Information at Source. – A fiduciary representing an estate or trust engaging in a trade or business and making payments in the course

of the trade or business to another person for rent, salaries, wages, premiums, annuities, compensation, remunerations, emoluments or other fixed or determinable gains, profits and income of \$600 or more in any taxable year, must file copies of Federal Forms 1099 and 1096 for payees with D.C. addresses to the extent such payments are not covered by D.C. withholding tax statements.

D. PERIOD TO BE COVERED BY RETURN. – Returns shall be filed for calendar year 2000 or other taxable year beginning in 2000. If the fiduciary files a federal income tax return, the income shall be reported to the District on the basis of the same calendar or fiscal year used on the federal income tax return. However, a fiduciary may not change from reporting on a calendar year basis to a fiscal year basis, or vice versa, without written permission of the Office of Tax and Revenue, Audit Division, P.O. Box 556, Washington, D.C., 20044-0556.

E. WHEN AND WHERE FORM D-41 MUST BE FILED. – Fiduciary income tax returns must be filed on or before the fifteenth day of the fourth month following the close of the taxable year of the estate or trust. Such returns must be filed with the Office of Tax and Revenue, P.O. Box 441, Washington, D.C., 20044-0441.

An extension of time to file your return may be secured by filing D.C. Form FR-127 on or before the due date of the return.

F. SIGNATURE AND VERIFICATION. – The return must be signed by the individual fiduciary or by the authorized officer of the organization receiving or having custody or control and management of the income of the estate or trust.

The return also must be signed by any person who prepares the fiduciary's return for compensation. If the return is prepared by a firm or corporation, the return should be signed in the name of the firm or corporation. This verification is not required if the return is prepared by a regular, full-time employee of the fiduciary.

G. TO WHOM AND WHEN TAX MUST BE PAID. – The tax payment must be made payable to the *D.C. Treasurer* and mailed with the return to the Office of Tax and Revenue, P.O. Box 441, Washington, D.C., 20044-0441. Please enter the SSN, the Federal Employer Identification Number, and D-41 on the payment. **The balance of tax due shown on Line 17 of the return is due and payable in full at the time prescribed for the filing of the return.**

H. PENALTIES AND INTEREST. – The law provides severe criminal penalties for failure to file a return, for filing a false or fraudulent return, or for attempting to defeat or evade the tax.

The civil penalty for failure to file a return on time or failure to pay any tax due is 5% of the unpaid portion of tax due for each month, or a fraction thereof, while the failure to file or pay continues, but not more than 25% in the aggregate.

In the case of a substantial understatement of tax for any return due to be filed, there shall be added to the tax due an amount equal to 20% of the amount of any underpayment attributable to the understatement. There is a substantial understatement of tax if the amount of the understatement exceeds the greater of (a) 10% of the tax required to be shown on the return or (b) \$2,000. Understatement means the excess of the amount of tax required to be shown on a return, or which is determined through an audit or review, over the amount of tax imposed that is shown on any original or amended return, less any overpayment, credit, or refund.

Tax Preparer Penalty provisions enacted in Public Law 10-115 (D.C. Code §47-162 et. seq.) provide for a tax return preparer penalty when tax liability is understated. Penalties are assessed whenever a tax preparer prepares a return or claim for refund based on an unrealistic position; where the applicable law or regulation should have been known by the preparer; or where relevant facts for the position are not adequately disclosed. Penalties range from \$50 to \$10,000.

For all returns, interest at the rate of 1.5% per month, or portion of a month, must be paid on any tax which remains unpaid after the due date of the return. Interest is computed from the due date of the return to the date of payment and applies even though an extension of time to file the return may have been granted.

Charge for Dishonored Checks. – A charge of \$50 will be imposed if a check in payment of any obligation due the District of Columbia is not honored by your bank.

I. COPY OF GOVERNING INSTRUMENT AND FIDUCIARY'S DECLARATION. – A copy of the will or trust instrument, sworn to by the fiduciary as a true and complete copy, must be filed with the return of the estate or trust.

The fiduciary must also attach to the return a statement expressing his/her opinion (indicating the relevant provisions of the governing instrument upon which he/she relies) as to the extent to which the income of the estate or trust is taxable to the estate or trust, to the beneficiaries, or to the grantor or a person other than the grantor.

If copies of the governing instrument and a statement of the fiduciary have been filed with a return, they need not be filed again, provided subsequent returns contain a statement showing when and also the year of the return with which such documents were filed. However, if the instrument is amended in any way after a copy has been filed, a copy of the amendment must be filed with the return for the taxable year in which the amendment is made. A statement must also be filed by the fiduciary expressing his/her opinion as to the effect, if any, of the amendment on the extent to which the income of the estate or trust is taxable to the estate or trust, the beneficiaries, the grantor or a person other than the grantor.

J. ACCOUNTING METHODS. – Taxable income shall be computed in accordance with the method of accounting used in computing income as reflected by books and records of the trust or estate. In all cases, the method adopted must clearly and accurately reflect taxable income.

K. INCOME TAXABLE TO THE GRANTOR. –

1. Revocable Trusts. – The income of a trust shall be included in computing the net income of the grantor of the trust whenever the power to revest in the grantor or when title to any part of the corpus of the trust is vested –

- (a) in the grantor, either alone or in conjunction with any person not having a substantial adverse interest in the disposition of such part of the corpus or the income therefrom; or
- (b) in any person not having a substantial adverse interest in the disposition of such part of the corpus or the income therefrom.

2. Income for Benefit of Grantor. – So much of the income of any trust shall be included in computing the net income of the grantor as –

- (a) is, or, may be at the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income, held or accumulated for future distribution to the grantor; or
- (b) is, or may be, at the discretion of the grantor or of any person not having a substantial adverse interest in the disposition of such part of the income, distributed to the grantor; or
- (c) is, or may be, at the discretion of the grantor or any person not having a substantial adverse interest in the disposition of such part of the income, applied to the payment of premiums upon policies of insurance on the grantor (except policies of insurance irrevocably payable for the purposes and in the manner specified in Title III, Section 3(a)(8) of the Income and Franchise Tax Act, as amended, relating to the so-called "charitable contribution" deduction).

3. Definition of "at the discretion of the grantor." The term "at the discretion of the grantor" means at the discretion of the grantor either alone or in conjunction with any person not having an adverse interest in the disposition of the part of the income in question.

L. INCOME OF BENEFICIARY FROM NONRESIDENT TRUST. – Income of a nonresident trust paid or payable to a beneficiary who is a resident of the District must be reported in the individual income tax return filed with the District by the beneficiary.

SPECIFIC INSTRUCTIONS

Page 1 of Form D-41

Enter in the appropriate lines on page 1 of the return items of income and deductions copied from federal Form 1041 (US. Income Tax Return for Estates and Trusts). Any distributions of income for charitable purposes shall be included in Schedule K-1, together with the distributions to other beneficiaries.

Line 12-Exemption. – Enter the amount allowable for the exemption. The exemption for a trust is \$100 and for an estate it is \$1,370. However, if the return for an estate covers a period less than a full calendar or fiscal year, the exemption shall be prorated based on the number of months covered by the return.

Page 2 of Form D-41

Part I – Enter all items of income from federal Form 1041 on the appropriate lines of Part I of Form D-41. Enter the total on line 9 of page 2 and on Line 1, page 1 of Form D-41.

Part II – Report on Form D-41 in Part II, Modifications to Federal Income, any items required to be added to or subtracted from federal income which are included in the amount entered on line 9 of Part I. Enter the appropriate totals on page 1 of Form D-41.

Note: Any amount included as a subtraction modification to federal income shall not be included in the deduction for distribution to any beneficiary.